



strength in members.

Banking Development District Program - FAQs

What is the Banking Development District Program?

The BDD Program was established by New York State in 1997 to encourage financial institutions to build branches in areas of the state where there is a demonstrated need for banking services.

Branches approved for designation as a “Banking Development District” are eligible to receive up to \$10 million in subsidized deposits from New York State, and up to \$25 million in non-subsidized market rate deposits from the State.

Can credit unions participate?

Yes! Thanks to last year’s legislative victory, as of December 2019, credit unions are able to participate in the BDD Program for the first time ever.

Who identifies potential Banking Development District sites?

The applicants are responsible for identifying the geographic area of a potential Banking Development District.

What is the application process?

The credit union must apply in conjunction with a local government (county, town, city, or village) for designation as a Banking Development District. Once the credit union identifies the co-applicant municipality, the credit union will work closely with the Association and DFS to complete the application and receive DFS approval as a Banking Development District.

After approval from DFS, the credit union will then work with the Association and the State Comptroller’s office to finalize public deposit terms.

How long does the process take?

The process timing is largely dependent on the applicant. DFS has indicated that institutions who were prepared and responsive have completed the process in as little as 3- 4 months, while other institutions have taken over a year.

DFS has indicated the BDD Program is a priority and they are extremely responsive during the application process.

Are there collateralization requirements for the public deposits?

Yes. The deposits must be collateralized in accordance with state law like any other public deposits.

Can a credit union apply for more than one BDD?

Yes, a credit union can apply for BDD designation in more than one area. However, DFS has indicated that applications should be done one at a time, and not be submitted simultaneously.